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ABSTRACT

Financial aid is available to help students meet postsecondary education costs. It comes in a variety of forms. It may take the form of a grant, a loan, or a job. Colleges very commonly employ a combination of these forms, called "packages," tailored to fit each student's resources and requirements. This booklet can help you learn whether you are eligible for financial aid. You will find out how to estimate education expenses and how to figure the amount you and your parents might be expected to contribute toward these costs and how much you will require from other sources. Sections cover: (1) making a student budget; (2) estimating what parents may be asked to pay; (3) Will you need financial aid?; (4) Where does aid come from?; and (5) applying for aid. Tables provide hypothetical examples. (Author/KE)

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Meeting College Costs

A Guide for Parents and Students

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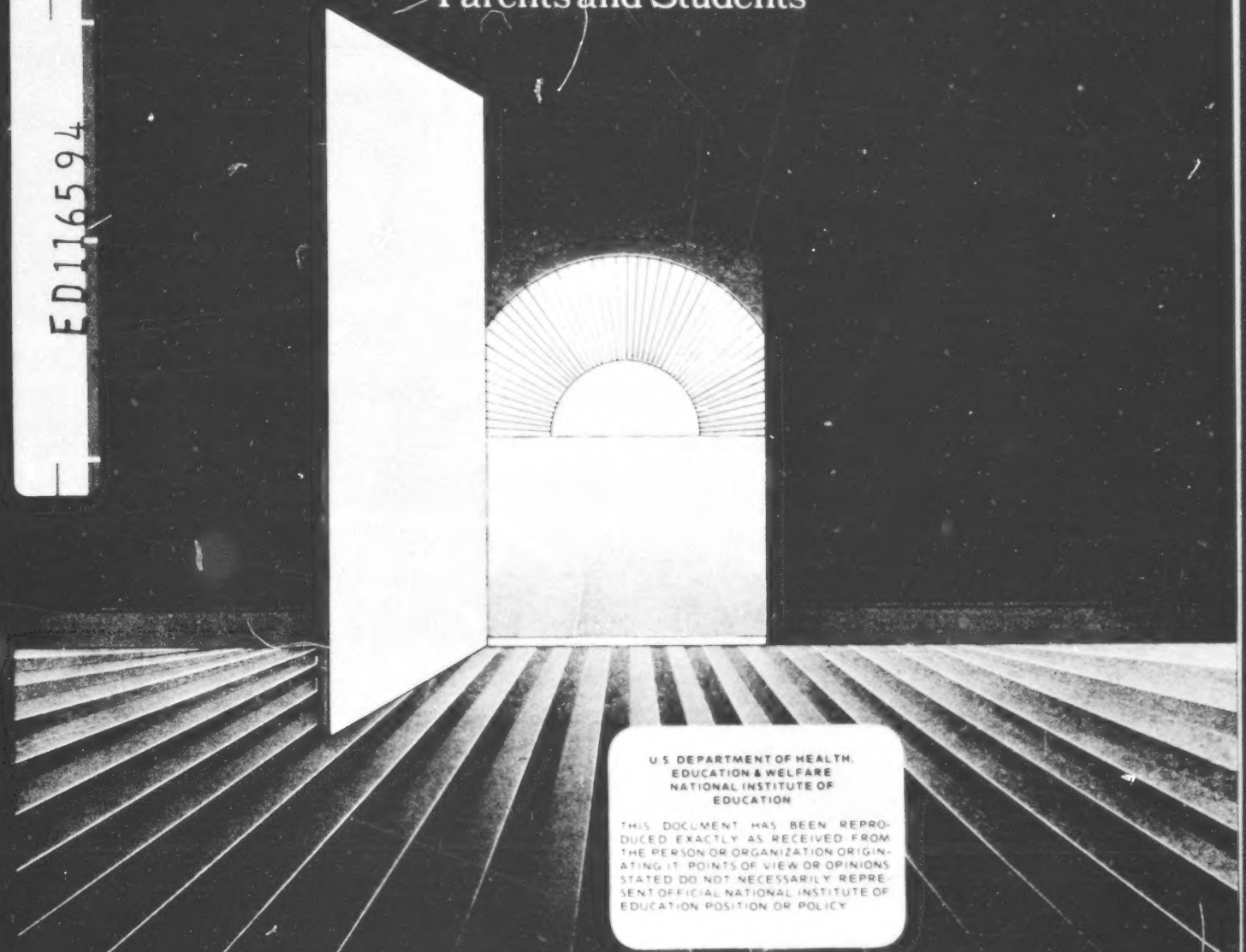

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College Scholarship Service of the College Entrance Examination Board

Money for College

Financial aid is available to help students meet postsecondary education costs. Financial aid has helped millions of students continue their education. It can help you too. To get aid you must apply and to give yourself the best chance—plan ahead and apply early.

Financial aid is available from a variety of sources...

colleges
universities
vocational schools
proprietary schools
federally supported programs
state scholarship and loan programs
community organizations
business firms
foundations
unions
commercial banks
insurance companies
and many others.

Financial aid comes in a variety of forms. It may take the form of a grant, a loan, or a job. Grants or scholarships do not have to be repaid. Loans usually have low interest rates and must be repaid, but generally only after you have completed your education. A job may mean employment on the campus that the college has found for you or work you were able to obtain on your own. Colleges very commonly make combinations of these forms, called "packages," tailored to fit each student's resources and requirements.

This booklet can help you learn whether you are eligible for financial aid. You will find out how to estimate education expenses and how to figure the amount you and your parents might be expected to contribute toward these costs and how much you will require from other sources. Don't rule yourself out because you think you can't meet the costs or your family income is too high to make you eligible for aid. You can get an idea about whether you will qualify for aid by reading this booklet, and at the same time find out how to apply.

Copies of this booklet can be obtained without charge from College Board Publication Orders, Box 2815, Princeton, New Jersey 08540.

Editorial inquiries about this booklet should be addressed to Editorial Office, College Entrance Examination Board, 888 Seventh Avenue, New York, New York 10019.

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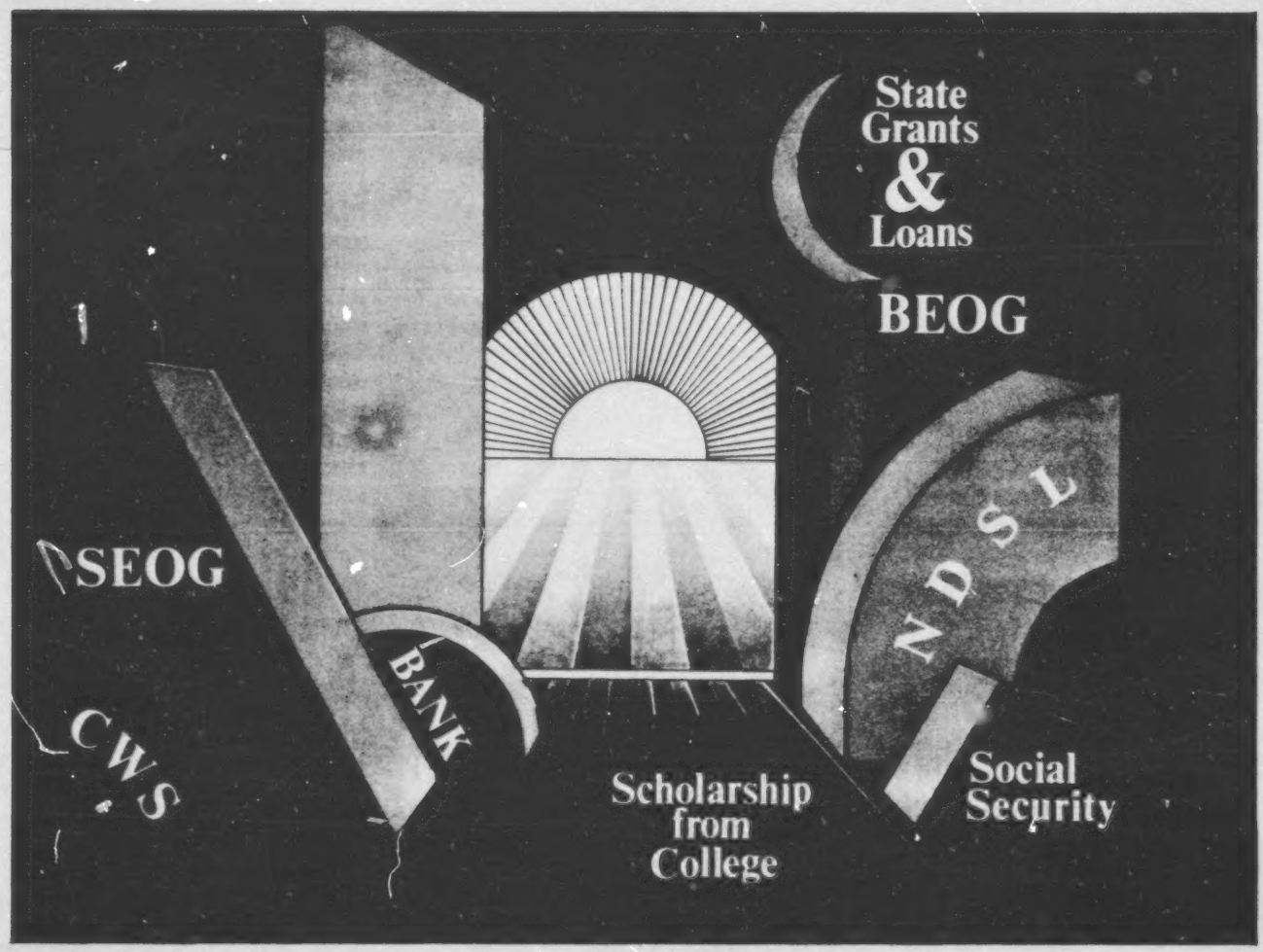


Making a Student Budget

Begin your financial planning with an estimate of the expenses you will have. There are many different kinds of postsecondary education institutions to choose from—local public colleges, vocational schools, public or private universities near home or far away. Costs can differ greatly from one institution to another, so you should make an estimate for each college you are considering. Don't let high expenses discourage you. Higher cost institutions generally have more financial aid available to offer applicants than do lower cost institutions.

To find out about college costs, write to each institution you might attend and request a copy of its latest catalog or any special booklet on expenses and financial assistance that may be available. If you are still a couple of years away from college, or if you wish to compare costs at many institutions, *The College Handbook* and *Student Expenses at Postsecondary Institutions*, both published by the College Entrance Examination Board, are helpful guides and include student budgets for over 2,000 colleges. Your counselor or librarian should have a copy. Information in these publications should be used only as a guide; specific college catalogs should be consulted when you are ready to make definite plans.

In figuring the expenses of going to college, you will need to include direct educational costs such as tuition, fees, and books and supplies; and living costs, including room, board, transportation, and personal expenses like clothes, laundry, and recreation. Examples of costs for three types of postsecondary institutions are shown here. You should keep in mind that these expenses are averages. You can use the space given to figure your budget at each institution you are considering.

INSTITUTIONS Figures given are for a nine month period.	Typical costs for a commuting student at a public institution	Typical costs for a resident student at in-state public institution	Typical costs for a resident student at a private college or postsecondary school
1. Tuition and fees	$ 300	$ 575	$2,200
2. Books and supplies	165	175	175
3. Student's room		600	600
4. Student board meals	600	675	700
5. Personal (clothing, laundry, recreation, medical)*	600	450	425
6. Transportation	375	200	225
A. TOTAL BUDGET (Add 1 through 6)*	$2,040	$2,675	$4,325

*You will want to consider these expenses to your family if you live at home.

*If you are planning to live on campus, you should estimate the costs of the round trips you will make to your home. Colleges usually estimate that a student makes two or three round trips during the year. Students living at home should figure the costs of daily transportation to the college.

Estimating What Parents May Be Asked to Pay

Postsecondary institutions and other organizations that award financial aid believe that parents and students have a responsibility to pay as much as they can. A method for determining how much they may be expected to pay has been developed by the College Scholarship Service. The CSS is part of the College Entrance Examination Board and is composed of representatives of different types of postsecondary institutions, high schools, and scholarship programs throughout the country. These representatives, plus economists and other experts in financial aid, develop the need analysis guidelines that are used nationally by colleges and scholarship programs to figure parents' ability to pay. The same procedure is used for all students applying for financial aid, but the resulting expected contribution varies according to such factors as income, assets, number of children in the family, and expenses. To gather the information used by the CSS to determine a student's need, students and their families are asked to complete one of two forms, a Parents' Confidential Statement (PCS) or a Student's Financial Statement (SFS), and forward it to the College Scholarship Service.

The worksheet that follows outlines step by step the need analysis system the CSS uses for determining what parents can reasonably be expected to pay toward college expenses. A family following the worksheet through can find out roughly what amount the colleges may expect from them. No simple outline like this can provide the same estimate of financial need that a college makes on the basis of the information provided in the PCS or SFS. But this is in general the way the analysis is done. The examples given for Mary, Carlos, and Andrea show how three different families estimated their need.

1975 INCOME	YOU
1. Father's yearly wages, salaries, tips, and other compensations	
2. All other income of mother and father (dividends, interest, social security payments, welfare, etc.)	
EXPENSES	
5. Medical and dental expenses not covered by insurance allowed as a deduction for U.S. income tax purposes (or amount in excess of 3% of B)	
6. Casualty and theft losses such as flood or fire damage, allowed as a deduction for U.S. income tax purposes	
C. TOTAL ALLOWANCE AGAINST INCOME (Add 4, 5, 6, 7, 8, 9, 10, 11)	
ASSETS	
14. Home equity (total estimated value of your home on the current market less any unpaid balance on your mortgage)	
15. Cash, savings and checking accounts	
16. Other investments (current value)	
DEDUCTIONS	
17. Major debts such as outstanding medical expenses for 1974 or previous years (Do not list mortgages or loans for car, appliances, etc.)	
G. REMAINING ASSETS (Subtract F from E)	
H. INCOME SUPPLEMENT FROM ASSETS (Multiply G by 12% if G is positive; by 6% if G is negative and D is less than $4,000. Enter zero if G is negative and D is more than $4,000)	

If the figure you have arrived at for the parents' expected contribution seems difficult to manage, keep in mind that many colleges have plans that stretch out your payments or can recommend agencies that have financing plans.

ARY	CARLOS	ANDREA
2,705	$ 0	$18,000
500	0	500
0	0	0
3,119	9,475	18,685
5,000	0	25,000
900	6,000	2,000
0	0	4,000
105	300	1,500
4,113	−5,700	16,900
496	−342	2,028

2	$ 4,600
4	7,070
6	9,400
8	10,540
10	11,670
12	12,800

20,001- 60,000	13,000 plus 50% of excess over $20,000

Age	Two-parent family	One-parent family
45-49	10,600	13,100
55-59	15,000	18,100
65 and over	21,600	25,200

Adjusted available income (or item 1)	*Taxation rate*
$ 1-4,000	22%
4,001- 5,000	$ 880 plus 25% of excess over $4,000
5,001- 6,000	$1,130 plus 29% of excess over $5,000
6,001- 7,000	$1,420 plus 34% of excess over $6,000
7,001- 8,000	$1,760 plus 40% of excess over $7,000
8,001 and more	$2,160 plus 47% of excess over $8,000

1	100%

Will You Need Financial Aid?

ESTIMATING WHAT STUDENTS MAY BE ASKED TO PAY

The chief items to take into account in figuring how much students may be expected to pay are these: savings from summer earnings (most colleges expect you to provide about $500 from this source in your first year and slightly higher amounts for subsequent years; if you are unable to find a summer job or to save the total amount suggested, you should report this to the college), savings and other assets, social security and veterans' education benefits, and various scholarships and monetary awards you have already received. You can figure your own resources in the space provided here.

STUDENT'S CONTRIBUTION	YOU	MARY	CARLOS	ANDREA
19 Savings and other assets such as stocks and bonds multiplied by .35		$140	$ 600	$ 300
20 Benefits for students such as social security and veterans' educational benefits		0	0	0
21 Savings from summer earnings (for the summer before freshman year, allow $500. Add $100 or $200 for each subsequent year.)		500	500	500
22 Other income or grants you have already received		0	0	600
L STUDENT RESOURCES (Add 19, 20, 21, 22)		640	1,100	1,400
M TOTAL FAMILY CONTRIBUTION (Add J and L. Use figure for K instead for J if there is more than one child in college.)		$640	$1,140	$3,353

HOW MUCH DO YOU NEED?

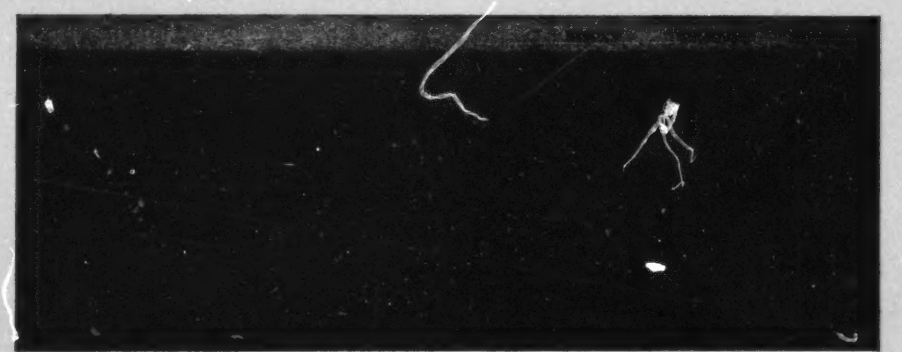
After you have listed budgets for the colleges you are considering and figured parents' expected contribution and student's resources, you can find out whether you will need to apply for some form of financial aid at any or all of the colleges you have in mind. Nearly all financial aid is awarded on the basis of a student's need for it. This means that whether you will need a lot of extra money or just a little, institutions will do their best to help you find the resources you need to attend.

A. TOTAL BUDGET (from page 3)				$2,040	$2,675	$4,353
M. TOTAL CONTRIBUTION				640	1,140	3,353
N. NEED (Subtract M from A)				$1,400	$1,535	$ 972

HOW DO POSTSECONDARY INSTITUTIONS AWARD FINANCIAL AID?

Most colleges, state agencies, and other noncollege sponsors that use the CSS need analysis services endorse the principle that the amount of aid awarded to a student should depend on his financial need. They believe that aid awarded according to this principle will be most effective in helping the greatest number of students.

Students who show need for financial aid are likely to be offered some combination of three principal kinds of aid (grants, loans, employment). The examples for Mary, Carlos, and Andrea show three possible award packages. Read page 7 for descriptions of the major aid programs.



Where Does Aid Come from?

APPLY FOR THE FOLLOWING THROUGH THE COLLEGES YOU ARE CONSIDERING:

Institutional scholarships or grants that come from college's own funds or from funds they have been given to administer. Most are based on the student's need. The more expensive colleges tend to have the largest institutional grant programs.

Institutional programs of student self-help. Student employment has become a well-organized and important source of financial aid at many colleges. Most institutions have placement offices to help students find jobs. Some institutions have cooperative plans that enable students to work during part of the year in a field related to their course of study. There also may be jobs that enable students to live with local families and earn room and board in return for babysitting or other household chores. And there are cooperative houses where students can prepare their own meals. An informative book written by students on student employment and other aspects of financial aid is *Making It: A Guide to Student Finances* (Cambridge, Mass.: Harvard Student Agencies, Inc., 1973, $4.95).

Educational loan programs are administered by many institutions. Often a student who has financial need can borrow money at a very low interest rate and repay the college after he completes his undergraduate or graduate studies.

Supplemental Educational Opportunity Grants (SEOG) is a federal aid program administered by colleges that provides assistance for students on the basis of need. The grants range from $200 to $1,500 a year for a total of $4,000 for a four-year program. The amount may not exceed 50 percent of the student's financial need.

National Direct Student Loans (NDSL) is a federal program based on need that provides for loans with no interest while the student is enrolled in college. After his education is completed, repayment on the loan begins at an interest rate of 3 percent.

The College Work-Study Program (CWS), also a federal program, provides jobs for students with demonstrated financial need. Both part-time and full-time students are eligible to participate in the program. Federal studies show that the average amount earned by students under this program is slightly more than $600 per year.

Other federal programs including loan and grant programs to assist students who plan to enter nursing or health fields and programs for students in law-enforcement curriculums.

APPLY TO THE FEDERAL GOVERNMENT FOR:

Basic Educational Opportunity Grants (BEOG) provides for grants that may be as high as $1,400 but will probably average $800 for 1976-77. The grant is based on need. Students not attending a postsecondary institution before April 1, 1973, are eligible. Applications are available through high schools, community agencies, libraries, and colleges.

APPLY TO STATE GOVERNMENTS FOR:

State grant programs, which have become more significant in recent years. Alaska, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, and Wisconsin have all established grant programs for state residents. Some of these states have also developed special programs intended to provide equal educational opportunity for students from low-income families. Information on eligibility, application procedures, and stipend limits can be obtained from the state scholarship agency in the capital city of each state.

OTHER TYPES OF AID:

The Guaranteed Student Loan Program (GSLP) and *Federally Insured Student Loans* (FISL) are very important sources for loan funds. These loans are made primarily by banks, savings and loan associations, and credit unions, but a growing number of colleges are becoming lenders. The federal government pays the full 7 percent interest on a loan for a student with demonstrated need during college; after the student has completed his education and when repayment must begin, the student pays the full 7 percent interest. Information on these loans is available from state guarantee agencies, local banks, savings associations, credit unions, other lending institutions, and directors of financial aid.

APPLY TO THE APPROPRIATE ORGANIZATION FOR:

Financial aid sponsored by *community agencies, foundations, corporations, unions, religious organizations, clubs, and civic and cultural groups.* Information about national and local privately sponsored programs is available from school, college, and community agency counselors.

A useful book outlining financial aid programs for students is *Need A Lift? Educational Opportunities* (The American Legion, P.O. Box 1055, Indianapolis, Indiana 46206, 50 cents). It tells about veterans' benefits, social security education benefits, as well as other specific financial aid resources.

Another source is *The Official College Entrance Examination Board Guide to Financial Aid for Students and Parents* (New York: Simon & Schuster, Inc., 1975, $4.95).

Applying for Aid

If you need aid, your chances for getting it are best if you apply in the right way at the right time.

The steps required to apply are summarized here.

1. Read the catalogs of colleges that interest you and select the ones that seem most appropriate to your interests and needs. Write to the admissions office for an admissions application form at the colleges you are considering. Ask about financial aid at the same time, or request information and a financial aid application from the college's Director of Financial Aid. It is best to do this early in your senior year.

2. Pick up a Parents' Confidential Statement (PCS). Families that own all or part of a business or farm need to file a special supplement along with the PCS. The PCS and the supplements can be obtained from several sources—your high school or community agency or a postsecondary institution. Postsecondary institutions that require the Student's Financial Statement (SFS) make copies available.

The PCS and SFS are designed so that information can be filled in easily and accurately by referring to the parents' (or student's, if appropriate) U.S. income tax returns. If the information on the PCS is complete and accurate, it can be processed faster.

The information reported on these forms is kept confidential. Only those institutions and scholarship programs indicated by you receive a copy, with a need analysis report.

3. Mail your PCS or SFS to the CSS for processing, preferably about four weeks before the earliest financial aid deadline established by the colleges you are applying to. Institutions want to take into account each family's special circumstances. So in filling out the PCS and SFS you should explain conditions that may affect your family's ability to pay for college.

4. Review the acknowledgment that the CSS will send to you after you submit the PCS. The acknowledgment lists the institutions and agencies you indicated were to receive the PCS. Check to see whether all entries are correct, and then you can use this form if you want to add other institutions to receive the PCS. The CSS can process this form faster than a letter.

5. Mail the financial aid application to each postsecondary institution that has its own application. The PCS is not an application for financial aid. So don't forget that many colleges may have a separate financial aid application. Some colleges may also request a copy of your latest U.S. income tax return to verify the data on which a financial aid award is based.

The deadline dates for financial aid applications are very important. The dates vary at different institutions, but they are often in January or February. You will give yourself a better chance by applying early.

6. Write to your state scholarship or loan agencies, addressed to the capital city in your state, for an application or ask your counselor about the application procedure in your state.

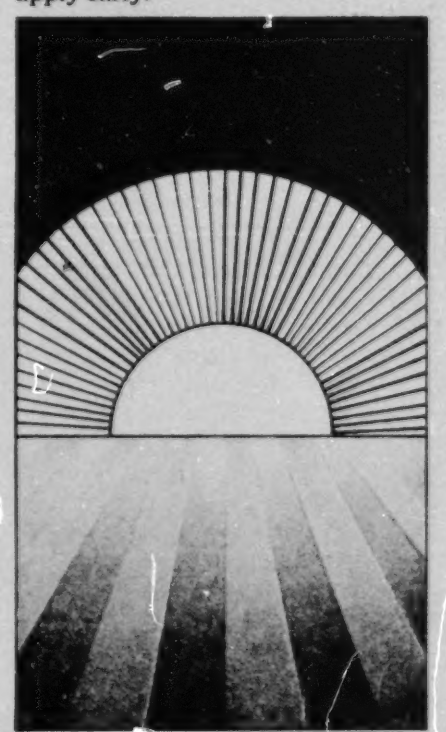
7. Pick up an application for the Basic Educational Opportunity Grant Program from your counselor. Announcements about the 1976-77 program will probably be available in January.

8. Read books in the library or from your counselor about other aid sources and follow the directions for applying. Don't forget to ask about education benefits from social security, Veterans Administration, vocational rehabilitation, and similar programs. Your counselor will know about local aid programs you may be eligible for.

9. Review your award letters carefully. After colleges receive the need analysis from the CSS and the aid application from the student, the Director of Financial Aid at each institution considers the student's need, what funds are available, and the regulations for each financial aid program. Then a decision is made about who will receive assistance and how much. The CSS does not make awards to students. Students who receive offers of aid from more than one institution should review each award letter carefully and then make a decision that places educational considerations first. Close attention should also be given to award notices from state programs and the BEOG, so that required responses can be made by the specified deadlines.

10. Receive your financial aid dollars. Most colleges require that you actually enroll before payment is made to you. The financial aid administrator at each institution can explain how the payments from each aid source will be paid to you.

Financial aid has helped millions of students continue their education. But remember: To get aid you must apply. Give yourself the best chance—plan ahead, apply early.



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